

**New Jersey Public Broadcasting Authority
Audit Committee Meeting
July 2, 2010, 9:00 AM
NJN Studio Trenton**

MINUTES

Participants: Scott Kobler, Chair (via phone), Stephanie Hoopes Halpin, Marshall Jones (via phone), Steve Petrecca, Assistant Treasurer, Department of the Treasury; Kevin Mistry, Deputy Attorney General; Janice Selinger, NJPBA Acting Chief Operating Officer; Beatrice Jones, NJPBA, Financial Manager; Judy Goetz, Secretary taking minutes.

Scott Kobler, Chair, called the meeting to order at 9 AM. Ms. Goetz, Secretary read the Open Public Meetings Act statement as follows: In accordance with the provisions of the Open Public Meetings Act of the State of New Jersey, notice of this meeting was filed with the Office of the Secretary of State, posted on the appropriate bulletin boards maintained for such purposed by the Authority, and distributed by press release to daily newspapers in New Jersey.

I. Approval of Minutes – March 25, 2010

Mr. Petrecca made a motion to approve the minutes of the Audit Committee Meeting on March 25, 2010. Ms. Hoopes Halpin seconded the motion. The motion was approved 3-0-1. Mr. Kobler abstained.

II. Selection of Auditing Firm for NJPBA for Fiscal Year ending June 30, 2010 and the option for the period of July 1, 2010 through December 31, 2010

Ms. Selinger stated that in compliance with Executive Order 134 an Evaluation Committee was formed of three Authority Board members, Kent Manahan, Ellen Karcher and Andy Cummis. The staff prepared a Request For Proposal. It was sent to eight CPA firms on the contract list. We received a response from four firms. There was an evaluation by Sam Braun, NJPBA Controller and one of the bids did not meet the criteria in the RFP (technical non-compliance, missing some forms). The Evaluation Committee went through the proposals and came up with the selection. It was not unanimous but it was close. One person thought a form was omitted from the Mercadien bid. The selection was the Mercadien Group again.

Ms. Hoopes Halpin asked if the price was a significant consideration. Mr. Kobler said it was a very insignificant difference. Ms. Hoopes Halpin stated that Mercadien has come back with extra charges in past years.

Mr. Kobler stated that is a good point. The work of Mercadien has been very good but there has been extra work, finger pointing on why there is a need for additional work and he believes they are an excellent choice, and will vote to recommend them but it may be a good idea, if the Audit Committee agrees, to convey to Mercadien that they should be mindful of an additional charges, and alerting NJN immediately if they believe there will be additional charges and they need justify them and we will be more reluctant to consider additional charges. They are familiar with NJN.

Ms. Selinger said staff agrees. Mr. Petrecca stated that Treasury loaned NJN staff to do a lot of work to get this straightened out. So from an auditor's perspective, there was a need to do a lot of hand-holding. Mr. Petrecca stated that he would fully expect for that not to happen this time around. This fee should be set in stone.

Ms. Hoopes Halpin asked if Mercadien was going to continue to do the Foundation's audit. Ms. Selinger said she thought so. Mr. Kobler asked her to confirm this. It would be good to be in sync.

Ms. Hoopes Halpin asked to the difference in price for a one year budget vs. a six month budget. Janice Selinger answered \$24,994 for one year and \$21,094 for six months.

Mr. Petrecca stated that it is almost the same amount of work.

Mr. Petrecca made a motion to recommend to the PBA Board the selection of the Mercadien Group to perform the audit for Fiscal Year ending June 30, 2010 and the option for the period of July 1, 2010 through December 31, 2010. Mr. Jones seconded the motion. The motion was approved unanimously 4-0.

Ms. Hoopes Halpin made a motion to adjourn the meeting at 9:20 AM. Mr. Petrecca seconded the motion. The motion was approved unanimously 4-0.